

South Carolina Board of Economic Advisors

Statement of Estimated Revenue Impact

Date: March 26, 2008

Bill Number: H. 4460

Author: Hutson, Limehouse, Hagood and McLeod

Committee Requesting Impact: Ways and Means

Bill Summary

A bill to amend the code of Laws of South Carolina, 1976, by adding Article 9 to Chapter 10, Title 4 so as to provide a procedure for allowing counties to impose a school construction impact fee to be used to provide a credit against property taxes imposed to pay bonded indebtedness for public school construction, and to establish the "public school construction trust fund" into which fee revenues must be deposited by the governing body of the county and from which must be paid monies to provide the tax credit authorized by Article 9, Chapter 10, Title 4.

REVENUE IMPACT ^{1/}

This bill would have no effect on state general fund revenue. Revenues from the school construction fees will vary depending on their imposition by county ordinance and the amount of the fees as set by the counties.

Explanation

This bill would impose a school construction fee on the transfer of residential real property. The fee revenue would be used to provide a property tax credit for school bonded indebtedness. The fee on existing and new residential construction would be based on the taxable transfers subject to the deed recording fee imposed pursuant to Chapter 24 of Title 12. The imposition and the amount of the fee would be at the option of the counties pursuant to local ordinance. South Carolina residents buying a new home would be eligible for a credit against the fee for property taxes paid on their owner-occupied homes during the previous ten years. The credit would total one dollar for each four dollars paid in property taxes.

/s/WILLIAM GILLESPIE

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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact, or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.